

## Message Text

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PAGE 01 STATE 001684

70

ORIGIN XMB-07

INFO OCT-01 ARA-16 ISO-00 SPC-03 AID-20 EB-11 NSC-10

RSC-01 CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 L-03

COME-00 /105 R

66613

DRAFTED BY: XMB:THOMAS P. DOUGHTY

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XMB: CHARLES E. HOUSTON

WARREN W. GLICK

EB/IFD/ODF: EMLINTON

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R 042034Z JAN 74

FM SECSTATE WASHDC

TO AMCONSUL RIO DE JANEIRO

INFO AMEMBASSY BRASILIA

AMCONSUL SAO PAULO

UNCLAS STATE 001684

E.O. 11652: N/A

TAGS: BEXP BR

SUBJECT: RAILCARS FOR BRAZIL

REF: RIO DE JANEIRO 4700

1. WHILE EXIMBANK IS PREPARED TO COOPERATE AS NECESSARY WITH REDE, BANCO CENTRAL DO BRASIL, AND PULLMAN IN TRYING TO ARRANGE FINANCING FOR HOPPER CARS, EXIM HAS NOT REPEAT NOT RECEIVED ANY APPLICATION FOR FINANCING THE U.S. COMPONENT OF THE CARS. CONSEQUENTLY, EXIM HAS NOT AUTHORIZED ANY FINANCING FOR THE CARS AND HAS NO PRESENT BASIS FOR MAKING A CREDIT AGREEMENT WITH REDE.

2. ON OCTOBER 30, 1973, EXIM SENT A PRELIMINARY COMMITMENT LETTER, NO. 74-0-2431, TO BANCO CENTRAL DO BRASIL, ATTENTION ERNANE GALVERS, PRESIDENT, STATING THAT EXIM IS PREPARED TO ASSIST REDE IN FINANCING THE COST OF U.S. GOODS AND SERVICES, ESTIMATED AT \$110,000,000  
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REQUIRED BY REDE FOR BRAZIL'S EXPORT CORRIDORS AND RAILWAY

RE-EQUIPMENT PROGRAMS. NONE OF THE TERMS AND CONDITIONS UPON WHICH EXIM WOULD BE PREPARED TO ASSIST REDE HAVE BEEN SATISFIED. IN FACT, REDE HAS NOT EVEN ACKNOWLEDGED THE PRELIMINARY COMMITMENT.

3. IN THE ABSENCE OF AN APPLICATION FROM REDE, INCLUDING THE INFORMATION DETAILED IN EXIM'S PRELIMINARY COMMITMENT LETTER, EXIM HAS NO BASIS AT THIS TIME ON WHICH TO AUTHORIZE ANY FINANCING FOR REDE FOR ITS NEW PROGRAMS. IN THE CIRCUMSTANCES, IT SEEMS TO EXIM THAT A VISIT TO WASHINGTON OF STELLING THE YOKOYA ON JANUARY 15-17 "TO SIGN EXIM LOAN FOR PURCHASE OF RAILS AND ACCESSORIES FROM BETHLEHEM STEEL" OR A "LOAN CONTRACT FOR RAILCARS FROM PULLMAN" WOULD BE PREMATURE. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 04 JAN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE001684  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** XMB:THOMAS P. DOUGHTY  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** STATE  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** RAILCARS FOR BRAZIL  
**TAGS:** BEXP, BR  
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